

***CO-OP HOLIDAY SPENDING ANALYSIS REVEALS KEY***

***PAYMENTS TRENDS FOR CREDIT UNION ISSUERS***

***Travel Spending Rebounds in Dramatic Fashion over the Thanksgiving Holiday***

***For Release on December 9, 2021:***

**RANCHO CUCAMONGA, California** – Credit union cardholders hit the road and hosted big feasts this Thanksgiving, transacting with gas, grocery and travel merchants at rates sometimes more than double those in 2020. The findings are a part of CO-OP Financial Services’ analysis of card transaction data from Thanksgiving Day through Cyber Monday 2021.

Among many additional insights, the analysis shows the volume of gas purchases up 101 percent year-over-year; lodging up nearly 50 percent; grocery purchases up 82 percent; and other travel transactions up 92 percent. The “other travel” segment includes things like airline, car rental, travel agency, cruise line, toll and parking transactions. All combined travel segments were up an impressive 98 percent in volume and 115 percent in spend.

Travel spending overshadowed online gift shopping, which saw only slight increases as compared to 2020 in CO-OP’s analysis. It’s an observation [echoed by Adobe Analytics](https://www.practicalecommerce.com/sales-report-2021-thanksgiving-day-black-friday-cyber-monday), which reported Black Friday and Cyber Monday decreases in year-over-year sales.

“It’s clear credit union members were anxious to rejoin their families and friends in celebration of the holiday this year, often prioritizing getting together over online shopping,” said Beth Phillips, Managing Director, Strategic Portfolio Growth, for CO-OP. “However, the dramatic increase in travel spending was a welcome rebound for credit unions. Travel activity alone yielded an aggregate interchange increase of more than 431 percent for CO-OP’s card issuing partners.”

It was evident hosts were entertaining their guests outside the home, as well, with restaurants and recreation categories experiencing significant activity. Dining purchase totals were up 60 percent on credit and 46 percent on debit year-over-year. Recreation purchases were up as well, with a 27 percent increase on credit and 14 percent on debit.

**Computer, Retail and Digital Goods Experience Bumps in Activity**

Although Black Friday and Cyber Monday sales growth remained on the smaller side, CO-OP analysis revealed a few merchant category winners: computers were up 64 percent, retail up 42 percent and digital goods up 40 percent.

“The increase in computer sales is interesting,” said Phillips. “We’re likely seeing a couple of trends play out there, namely fears over lingering chip shortages and the continuation of work- and learn-from-home circumstances in various pockets throughout the country.”

Indeed, [out-of-stock messages in November 2021 were up 258 percent](https://www.practicalecommerce.com/sales-report-2021-thanksgiving-day-black-friday-cyber-monday) vs. November 2019, with electronics being among the highest categories of out-of-stock goods.

Two categories that experienced year-over-year declines were camping (down 14 percent) and office supplies (down 4 percent). This may be due to heavy pandemic-inspired purchases of campers and equipment, printers and paper during the lockdowns and remote-working days of 2020.

**Debit Purchases on Amazon Decline for Third Consecutive Year**

As for holiday gift shopping, CO-OP’s analysis revealed several important trends. Chief among them, debit purchases on Amazon declined for the third year in a row, suggesting consumers are more comfortable shopping at this major online retailer with a credit card. While the number of credit transactions only outpaced debit transactions by 2 percent, credit generated a 17-percent year-over-year increase in interchange vs. debit’s 10-percent increase.

Consumer preference for credit cards this holiday extended beyond Amazon. Debit card purchases in grocery stores, for instance, did not increase at all as compared to 2020. Credit card purchases in grocery stores, on the other hand, increased 82 percent. Retail purchases via credit were up 42 percent, whereas debit purchases in the retail environment were up just 4 percent.

The preference for credit cards may be due to several factors, including the scaling back of government stimulus. This can also be seen in consumer use of emerging credit access tools, such as buy now pay later (BNPL). On Cyber Monday alone, BNPL providers reported a [21-percent year-over-year increase in revenue](https://www.practicalecommerce.com/sales-report-2021-thanksgiving-day-black-friday-cyber-monday).

However, average transaction totals processed by CO-OP were similar across debit and credit at roughly $47 per transaction regardless of the card type. This indicates consumers perceive additional benefits to credit card use beyond access to credit, such as rewards and/or fraud protection.

“Data on consumer card spending continues to underscore the value of offering members access to multiple payment vehicles,” said Phillips. “When the go-to debit card isn’t a viable option – maybe there’s been a job loss or change in personal cash flow – members still want to rely on their trusted credit union for day-to-day money movement. Whether it’s a credit card, a peer-to-peer network or a BNPL-style solution, its vital to offer members different ways to transact. That’s how credit unions maintain primary financial relationships during the financial disruptions everyone experiences at one time or another, pandemic or not.”

**About CO-OP Financial Services**

CO-OP Financial Services is a payments and financial technology company whose mission is ensuring the success of the credit union movement. CO-OP payments solutions, engagement services and strategic counsel help credit unions optimize member experiences to consistently provide seamless, personalized multi-channel offerings, while delivering secure, sophisticated fraud mitigation service. For more information, visit [www.co-opfs.org](http://www.co-opfs.org).

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